

FOCUS ON ECONOMIC IMPACT

FALL 2003

SANDIA NATIONAL LABORATORIES PAST AND PRESENT

Sandia National Laboratories was established in 1949 to provide nuclear ordinance engineering for the United States.

Over the years, Sandia expanded into a multi-program national laboratory. Today, Sandia has responsibilities in national security, engineering, and environmental research and development. Sandia Corporation, a Lockheed Martin Company, operates Sandia for the U.S. Department of Energy (DOE).



Sandia became Sandia National Laboratories in 1979. In 1993, the Department of Energy awarded the Sandia management contract to Lockheed Martin.

The economic impact of Sandia on New Mexico has grown over the years to the point where these activities provide thousands of jobs and contribute billions of dollars to the state's economy.

EMPLOYEES AND ECONOMIC IMPACT

Today there are more than 8,000 employees. This makes Sandia the fifth largest major public facility/institution in the Albuquerque metropolitan area, in terms of the number of employees. The payroll for Calendar Year 2002 was \$565 million and the total operating and capital budget for Sandia was approximately \$1.87 billion. Retirement and health care benefits add another \$195 million to the national economy.



In 1949, President Harry Truman wrote a letter to AT&T President Leroy Wilson, offering the company "an opportunity to render an exceptional service in the national interest" by managing Sandia. AT&T accepted, and managed the Labs for nearly 44 years.

Sandia's multi-disciplinary technological capability and policy of transferring technology to the private sector allows this DOE prime contractor to render exceptional service in the national interest.



Sandia National Laboratories

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In total, Sandia operations in New Mexico have a beneficial statewide impact of about \$4.5 Billion based on a 1998 DOE economic impact study. In addition to the direct dollar impact, the need for goods and services indirectly related to Sandia support other jobs and economic activities.

Sandia's economic activities will produce an estimated \$52 million in Gross Receipts Taxes for Fiscal Year 2002 that will help support state and local governments.

SELECTED WEB LINKS

- **Sandia Labs Partnerships:**
www.sandia.gov/partnerships
- **Sandia Labs Procurement:**
www.sandia.gov/supplier
- **Sandia Labs Community Involvement:**
www.sandia.gov/ciim
- **Sandia Science and Technology Park:**
www.sstp.org
- **New Mexico Small Business Programs:**
www.sandia.gov/smallbusinessprograms
- **Technology Ventures Corporation:**
www.techventures.org
- **Next Generation Economy:**
www.nextgenclusters.net

PURCHASING ACTIVITIES AND ECONOMIC IMPACT

Sandia is one of the U.S. Department of Energy's largest research and development facilities. As such, it purchases a wide variety of products and services. Hundreds of individual research project requirements drive Sandia's procurement needs. As a result, Sandia procures a wide variety of products from a diverse group of suppliers.

During Fiscal Year 2002, Sandia commercial purchases totaled \$779 million. New Mexico businesses contracted almost half of those commercial dollars (\$350 million). Those dollars

impact not only the contract recipients, but also other members of the business community through teaming arrangements and subcontracting opportunities.

Sandia believes that doing business with small business is good business. In Fiscal Year 2002, 66 percent of commercial contracts (\$513 million) were placed with small business. Sandia's policy is to support and foster the U.S. Department of Energy's Small Business Program policies.



Robert Walkney of Receiving and Mail Services Department sorts packages at the Labs' shipping and receiving facility.

SUPPLIER INFORMATION AND RELATIONS

Sandia's Supplier Information and Relations mission is to match our needs for products and services with a broad range of suppliers who can provide high-quality products and services in a timely and cost effective way. Sandia develops strategic supplier partnerships that enable suppliers to better understand Sandia requirements and participate as long-term partners. The Supplier Information & Relations Department co-sponsors small business conferences throughout the year.

In July, Sandia co-sponsored the Rio Grande Minority Purchasing Fair. This event at the NM State Fair Grounds attracted small businesses from across the state. Mayor Martin Chavez was on hand to formally open the trade fair. Seminars topics included: "Mentor-Protégé Relationships", "Developing Pricing to Recover Costs", "Preparation of Qualification Packages", and "Funding Options for Small Businesses."

Sandia recently entered into formal agreements that allow input on possible sources for competitive procurements over \$100,000 with the following organizations:

C O R P O R A T E O U T R E A C H

- American Indian Chamber of Commerce
- Albuquerque Hispano Chamber of Commerce
- Greater Albuquerque Chamber of Commerce
- African American Economic Development Council
- Rio Grande Minority Purchasing Council
- Women's Self Sufficiency Team
- 8(a) Association
- National Association of Women Business Owners

SANDIA SCIENCE & TECHNOLOGY PARK

Sandia Science & Technology Park (SS&TP) is a unique technology community. A place where individuals and businesses use ingenuity and productivity to create the future. The Park is located adjacent to Sandia, giving tenants easy access to world-class facilities, technologies, scientists and engineers. It's a home for businesses that are enriched by their proximity to the Labs and to each other. It's a community where technology works.



The Sandia Science and Technology Park turned 5 years old in 2003. The Park was officially founded in May of 1998 when EMCORE Photovoltaics broke ground on their new facility.

The SS&TP continues to grow. Year-to-date figures for Fiscal Year 2003 show the Park has 15 companies and over 600 employees. Contracts between Sandia and Park tenants are over \$22 million. In addition, Park companies have contracted for more than \$285,000 worth of work with each other. Public investment in the Park now exceeds \$15.3 million, and private investment exceeds \$103 million.

Four companies in the SS&TP were named to the New Mexico Flying 40 for 2003. Created by Technology Ventures Corporation in Albuquerque, the "Flying 40" was developed to recognize

successful locally grown technology companies. These companies reported cumulative revenue growth over the past four years ranging from 10% to 233%. This year's list recognizes:

- EMCORE
- Team Specialty Products
- Ktech
- Applied Technology Associates

SMALL BUSINESS ASSISTANCE PROGRAM

The New Mexico Small Business Assistance program enables Sandia to provide technical and certain types of business assistance to New Mexico small business. This helps enhance the state's economy by helping small companies resolve technical or business issues at no cost. Sandia provides services up to \$10,000. To qualify, small businesses certify that Sandia's assistance is not available at reasonable cost through private sources. That's it! Everyone in New Mexico benefits.

In 2002, the program completed 300 projects, such as product testing, design analysis, and solving manufacturing problems. Some of the technical assistance success stories were with the following small businesses:

- El Kabode Tile - Las Cruces, NM
- Global Haptics - Albuquerque, NM
- Joseph's Lite Cookies - Deming, NM
- Providence Technologies, Inc. - Roswell, NM
- Sol Aqua, Inc. - Las Cruces, NM
- Solar Pet Homes, Inc. - Albuquerque, NM
- Team Specialty Products, Inc. - Albuquerque, NM

KEY BOARD POSITIONS

- **Albuquerque Economic Development**
Lenny Martinez
- **Albuquerque Hispano Chamber of Commerce**
Don Carson
- **Economic Forum**
Michael DeWitte
- **Greater Albuquerque Chamber of Commerce**
Joan Woodard
- **Next Generation Economy**
Michael DeWitte

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MICROSYSTEMS IN NEW MEXICO

The development of a commercial microsystems capability in New Mexico is already in the advanced stages. *Small Times* recently identified New Mexico as number three in its listing of the top ten small tech hot spots in the nation. NextGen, a regional public/private partnership dedicated to building a stronger economy in New Mexico, has identified the microsystems cluster as one of the top 5 targets for development.

Sandia Vice President of Manufacturing Systems, Science and Technology - Lenny Martinez is chairman of the Microsystems cluster formed by NextGen. In that capacity, Lenny worked with several key people at Intel to support the establishment of a facility to enhance this community's microsystems infrastructure. As a result, Intel recently donated \$17M worth of tooling to UNM to support the start-up and acceleration of Microsystems companies. This facility is available to companies that have a commercial application and a customer for a real product while lacking the considerable funding required to build their own foundry.



Visit us at www.sandia.gov/ciim or call (505) 284-5200 for more information.

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